



ANG Auto Limited
Annual Report 2008-09



Corporate Information

Forward looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Shri Premjit Singh

Managing Director

Shri Gurvinder Singh Jolly

Director

Shri Manoj Gupta

Director

Shri Sanjay Garg

Director

Shri Om Prakash Sharma

Director

Shri Rajiv Malik

Company Secretary

Auditors

M/S Sandesh Jain & Co.

Chartered Accountants

Bankers

Bank of Baroda

International Business Branch, Parliament Street, New Delhi.

Development Credit Bank

Hansalya Building, Barakhamba Road, New Delhi.

Yes Bank

48, Nyaya Marg, Chankaya Puri, New Delhi.

State Bank of India

Jawahar Vyapar Bhawan, Tolstoy Marg, New Delhi-11001

Registered Office

1C/13, New Rohtak road

Karol Bagh, New Delhi-110005

Phone : 011-28716329, telefax :011-28716329

Email: marketing@anggroup.biz

Website: www.anggroup.biz / www.angauto.com /

www.angtrailers.com

Corporate Office

90, Okhla Industrial Estate, Phase-III
New Delhi-110020

Manufacturing Facilities

B-48, Phase-II, Noida

19-A, Udyog Vihar, Greater Noida,
District: Gautam Budh Nagar (U.P.)

Special Economic Zone,
I-11 & 12, SEZ, Noida,
District Gautam Budh Nagar (U.P.)

14/6, Mathura Road, Faridabad, (Haryana)

150A, SEZ, Noida, District Gautam Budh Nagar (U.P.)

19, Udyog Vihar, Greater Noida,
District Gautam Budh Nagar, (U.P.)

A-197, SIDCUL Industrial Estate,
Sitarganj, Uttaranchal

Registrar & Share Transfer Agents

Beetal Financial & Computer Services Pvt. Ltd.

Beetal House, 3rd Floor, 99, Madangir
Behind Local Shopping Centre,
New Delhi 110062

Highlights, 2008-09

In numbers

- Total income stood at Rs. 11,719.69 lacs in 2008-09 against Rs. 14,566.20 lacs in 2007-08
- EBIDTA stood at Rs. 1,951.91 lacs in 2008-09 against Rs. 3,234.71 lacs in 2007-08
- Profit after tax profit stood at Rs. 81.91 lacs in 2008-09 against Rs. 1,704.24 lacs in 2007-08
- EPS stood at Rs. 0.10 in 2008-09 against Rs. 13.96 in 2007-08

In the board room

- Invested Rs. 2,497.64 lacs in a steel fabrication unit for the manufacture of boiler structures for thermal power plants. The unit is expected to be operational by September 2009
- Bought back 7,50,000 equity shares at Rs. 53.52 per share and 7 mn bonds at a 50% discount on face value

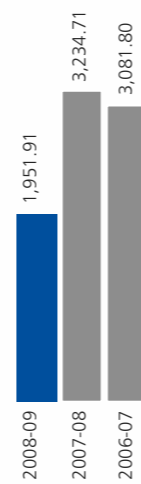
Post-balance sheet development

- Revenue declined 54.40% from Rs. 3,537.17 lacs in Q1/2008-09 to Rs. 1,612.96 lacs in Q1/2009-10
- EBIDTA declined 79.41% from Rs. 778.02 lacs in Q1/2008-09 to Rs. 160.23 lacs in Q1/2009-10
- Entered into a joint venture with TowerWorx USA. The Indian operation will be managed by TowerWorx India (P) Ltd to manufacture and market mobile tower solutions in India

Income from operation
(Rs. lacs)



EBIDTA (Rs. lacs)



Capital employed (Rs. lacs)



Book value per share (Rs.)





Management discussion and analysis

Economy and the industry Global economic review

Consequent to the massive global downturn, global economic growth declined from 3.5% in 2007 to 2.5% in 2008. While in the first half of the year commodity prices soared with crude prices touching a record high of US\$147 in July 2008, during the second half, major financial institutions collapsed and led to a recessionary environment in advanced economies, affecting economies worldwide.

The slowdown was triggered by the US sub-prime crisis, which adversely affected major financial institutions. The US government announced various economic stimulus packages. Europe followed the trend and countries like Serbia, Ukraine, Hungary and Belarus, among others, approached the IMF for

help. Growth in advanced economies slowed from 2.6% in 2007 to 1.3% in 2008.

Global auto component industry

The global automotive component industry is pegged at US\$1.3 trillion. The US and Europe comprised around 50% of total auto-component demand while the US accounted for around 27% of the market. The global auto component market is expected to reach US\$1.65 trillion by 2015 as its manufacturing base is shifting towards low-cost, emerging economies including India, China and Thailand, among others.

India enjoys a cost advantage with respect to castings and forgings as manufacturing costs in India are 25-30% lower than the West. Considering

the growing popularity of India in the automotive component sector, the Investment Commission set a target of attracting foreign investment worth US\$5 billion for the next seven years with the objective of increasing India's share in the global auto components market from 0.9% (2007-08) to 2.5% by 2015.

Indian economic overview

The domestic economy's growth slowed from 9% in 2007-08 to 6.7% owing to the global economic downturn. The manufacturing and the agricultural sectors witnessed the biggest setbacks. The six core industries – crude oil, petroleum refinery products, coal, electricity, cement and finished steel – grew at 2.7% against 5.9% in 2007-08.

In the first quarter of 2009-10, economic growth accelerated for the

first time in six quarters, recording 6.1% GDP growth. The country's six core infrastructure segments grew 6.5% in June 2009 compared with 2.8% in May 2008. The core sector recorded a cumulative growth of 4.8% in the first quarter of 2009-10.

Indian auto component industry

India is now a global auto component hub and a significant player in the global automobiles supply chain. It is now a supplier of a range of high-value and critical automobile components to global automobile giants. The size of the Indian auto component industry was pegged at Rs. 76,320 crores in 2008-09. The global economic slowdown affected the industry's health during the year. Engine parts comprised the majority of the product basket. During 2008-09, the sector attracted Rs. 32,000 crore in investments.

Commercial vehicle industry (CV): The commercial vehicle industry was affected significantly by the global economic meltdown. Rising interest was a crucial factor affecting the CV industry as around 80% of the CVs were financed. Total commercial vehicle offtake declined 22.33% from 549,488 units in 2007-08 to 426,795 units in 2008-09. Among the total CV sales, the M&HCV segment recorded a 32.45% decline from 296,675 units in 2007-08 to 200,406 units in 2008-09 and LCV

segment sales declined 10.45% from 252,813 units in 2007-08 to 226,389 units in 2008-09. The Government of India announced several initiatives to boost sales during 2008-09 including a reduction of excise duty to 8% for buses and trucks, accelerated depreciation on new trucks and 90% grant to various transport undertakings for purchasing 40,000 commercial vehicles.

Trailers: Domestic trailer use is still at a nascent stage. The government's thrust on improving road infrastructure and proper implementation of overload restriction for the commercial vehicles is expected to drive the demand for trailers. The container movement volumes have now begun to show some positive momentum. In July 2009, container volumes rose 3.1% over the previous year for the second month in a row after declining in the first two months of this fiscal [Source: *The Economic Times*].

Road traffic: According to the Planning Commission, the road freight industry will grow at a compound annual growth rate (CAGR) of 9.9% from 2007-08 to 2007-12. Around 1,231 billion tonne km (BTK) of road freight volumes for 2011-12 has been targeted. These are expected to create a significant market for trailers in India.

Port traffic: Total traffic in ports grew 4.4% from 722 million tonnes in 2007-

08 to 754 million tonnes in 2008-09 (estimated), reflecting an opportunity for trailers for handling port traffic. Going forward, port traffic is expected to increase at 7.9% in 2009-10 and 7.2% in 2010-11.

Outlook

The automobile industry is showing signs of revival as CV sales rebounded from a low of 20,282 vehicles in December 2008 to 33,072 vehicles in May 2009. The domestic automobile major TATA Motors reported 18% growth in CV and passenger vehicle sales in July 2009 over the corresponding period in the previous year. An investment of around US\$15 billion, slated for the auto components sector over the next few years, is expected to drive sectoral growth.

The prospects of the domestic auto industry appear optimistic as an increasing number of global automobile OEMs are establishing bases in India. Toyota Motors earmarked a Rs. 3,200-crore investment over 2008-11 for a second plant at Bangalore. Nissan intends to move its small car unit from the UK to India. It is expected that the country will be able to offset China and other Southeast Asian countries' traditional manufacturing advantage in the coming years, taking the industry a step closer to its targeted revenue of US\$40 billion by 2014.



Analysis of the financial statements

Snapshot

	2008-09	2007-08	(Rs. lacs)
			Growth (%)
Revenue (net sales)	11,719.69	14,566.20	(19.54)
EBIDTA	1,951.91	3,234.71	(39.66)
PAT	81.91	1,704.24	(95.19)

Analysis of the profit and loss account

■ The Company's revenue declined from Rs. 14,310.04 lacs in 2007-08 to Rs. 11,261.83 lacs in 2008-09 owing to the slowdown in the user industries in both domestic and international markets. Global markets accounted for 53.73% of the topline, but degrew 0.59% over 2007-08.

■ Other income increased 765.98% from Rs. 74.66 lacs in 2007-08 to Rs. 661.47 lacs in 2008-09 owing to increase in interest received and other miscellaneous incomes. Other income comprised 5.55% of the total income in 2008-09 against 0.52% in 2007-08; other income, as a proportion of EBIDTA, stood at 33.89% in 2008-09 against 2.31% in 2007-08.

■ Total operating cost declined 12.5% from Rs. 11,163.56 lacs in 2007-08 to Rs. 9,767.78 lacs in 2008-09 largely owing to a decline in production.

■ Manufacturing cost formed 15.94% of the total income in 2008-09 (14.12% in 2007-08), declining 8.01% from Rs. 2,031.25 lacs in 2007-08 to Rs. 1,868.59 lacs in 2008-09 owing to reduced operations.

■ The Company's power and fuel cost declined 8.68% from Rs. 430.40 lacs in

2007-08 to Rs. 393.02 lacs in 2008-09. The Faridabad unit use diesel for electricity generation. Increased cost of diesel during the first half of the year correspondingly increased power and fuel cost. Power and fuel cost, as a proportion of the total income, stood at 3.35% in 2008-09 against 2.99% in 2007-08. Per unit power cost stood at Rs. 7.56 in 2008-09 against Rs. 6.27 in 2007-08.

■ Employee cost increased 25.25% from Rs. 641.67 lacs in 2007-08 to Rs. 813.19 lacs in 2008-09 owing to new recruitments and increase in compensation paid to employees.

■ The Company's corporate tax outlay declined 13.73% from Rs. 151.15 lacs in 2007-08 to Rs. 130.40 lacs in 2008-09. The Company continues to enjoy a tax holiday for its unit at SEZ Nalagarh and Sitarganj.

■ The Company's total imports stood at Rs. 1,071.52 lacs in 2008-09 against Rs. 2,449.28 lacs in 2007-08. Export earning stood at Rs. 6,050.83 lacs in 2008-09, compared with Rs. 6,086.90 lacs in 2007-08.

Analysis of the balance sheet

■ The Company's capital employed

increased 0.15% from Rs. 23,331.06 lacs as on 31st March 2008 to Rs. 23,366.54 lacs as on 31st March 2009 owing to a decline in reserves and secured debt. Return-on-capital employed declined from 16.28% in 2007-08 to 6.57% in 2008-09 owing to profit erosion.

■ Net worth declined 6.92% from Rs. 8,405.23 lacs as on 31st March 2008 to Rs. 78,823.35 lacs as on 31st March 2009 largely owing to a decline in the share capital due to shares buyback.

■ The equity share capital comprised 1,25,40,000 shares of Rs. 10 each. Share capital declined 5.64% from Rs. 1,329 lacs as on 31st March 2008 to Rs. 1,254 lacs as on 31st March 2009 as the Company bought back 7,50,000 shares. The promoters' holding as on 31st March 2009 stood at 45.65%.

■ Reserves and surplus declined 6.14% from Rs. 7,681.25 lacs as on 31st March 2008 to Rs. 7,209.62 lacs as on 31st March 2009 owing to the utilisation of share premium reserves for paying premium for buyback.

■ Total debt portfolio increased 2.08% from Rs. 14,905.20 lacs as on 31st March 2008 to Rs. 15,215.13 lacs as on 31st March 2009 owing to the enhanced working capital requirement

due to the spiralling raw material cost and capex for the steel fabrication plant. Secured loan increased 3.76% from Rs. 9,985.24 lacs as on 31st March 2008 to Rs. 10,360.89 lacs as on 31st March 2009. Unsecured loan declined 1.33% from Rs. 4,919,78 lacs as on 31st March 2008 to Rs. 4,854.24 lacs as on 31st March 2009. During 2008-09, the Company bought back 7 million bonds at a 50% discount on face value. The Company's debt-equity ratio stood at 1.94 as on 31st March 2009 against 1.77 as on 31st March 2008. Interest paid increased 29.81% from Rs. 1,010.70 lacs in 2007-08 to Rs. 1,312.02 lacs in 2008-09 owing to rising interest rates.

- The Company's gross block increased 14.01% from Rs. 7,747.61 lacs as on 31st March 2008 to Rs. 8,832.82 lacs as on 31st March 2009 as the Company invested in the steel fabrication plant for the manufacture of boiler structures for thermal power plants. Depreciation increased 20.43% from Rs. 355.04 lacs in 2007-08 to Rs. 427.58 lacs in 2008-09 owing to an increased gross block. Return-on-gross block declined from 36.99% in 2007-08 to 17.30% in 2008-09 owing to a decline in profit and increased gross block. The effect of the increased gross block is expected to be reflected in the coming years. Accumulated depreciation, as a proportion of gross block, stood at 13.97%, reflecting the newness of the gross block.

- During the year, the Company's

investment stood at Rs. 1,411.98 lacs as on 31st March 2009 from nil as on 31st March 2008 as the Company invested in subsidiaries in UK and Hongkong.

- The Company's working capital declined 18.40% from Rs. 14,501.80 lacs as on 31st March 2008 to Rs. 11,832.64 lacs as on 31st March 2009, reflecting effective working capital management. Current ratio for 2008-09 stood at 4.49 (4.78 in 2007-08).

- Inventory increased 17.34% from Rs. 6,206.16 lacs as on 31st March 2008 to Rs. 7,282.39 lacs as on 31st March 2009 largely owing to inventory accumulation due to slower offtake during the year under review. Around 57.54% of the inventory comprised raw materials as on 31st March 2009 (41.88% as on 31st March 2008) and 13.05% comprised finished goods as on 31st March 2009 (25.30% as on 31st March 2008). Inventory turnover days increased from 116 days in 2007-08 to 216 days in 2008-09.

- Sundry debtors declined 27.20% from Rs. 4,430.02 lacs as on 31st March 2008 to Rs. 3,224.96 lacs as on 31st March 2009. The receivables cycle increased from 102 days of turnover equivalent in 2007-08 to 122 days in 2008-09. Around 26.38% of the debtors were more than six months old as on 31st March 2009 (17.57% as on 31st March 2008), reflecting the impact of the slowdown.

- Cash-and-bank balances declined 60.82% from Rs. 4,840.25 lacs as on

31st March 2008 to Rs. 1,895.93 lacs as on 31st March 2009.

- Loans and advances declined 3.14% from Rs. 2,265.52 lacs as on 31st March 2008 to Rs. 2,194.18 lacs as on 31st March 2009 owing to reduced loans and advances made to the staff and the payment of advance income tax, among others.

- Current liabilities declined 14.67% from Rs. 3,240.15 lacs as on 31st March 2008 to Rs. 2,764.82 lacs as on 31st March 2009 owing to reduced creditors to consumables and raw materials. The Company's sundry creditors declined 32.02% from Rs. 2,501.76 lacs as on 31st March 2008 to Rs. 1,700.78 lacs as on 31st March 2009.

Internal control

Adequate control systems have been institutionalised for monitoring all operational and managerial functions, being carried out in conformity with well-defined processes. The compliance of these processes and its refinement reflect learning and changes in the business environment, which is reviewed periodically. Regular audits of all key business areas are conducted by internal audit teams. The audit observations are reported and discussed by the senior management and also presented to the Audit Committee of the Board. The observations are discussed with the operations teams and the recommendations are implemented appropriately.



Strengthening our shock absorbers

As a responsible corporate, we endeavour to minimise risks and maximise returns. Our risk-mitigation approach is based on a comprehensive and integrated framework, encompassing prudent norms, structured reporting and control; this approach ensures that the risk management discipline is centrally initiated but efficiently decentralised across the organisation. At ANG, we believe in constant monitoring and decision-making to balance risk and reward.

Industry concentration risk

Dependence on a single industry can affect the Company's growth

Risk mitigation

To reduce dependence on the auto sector, ANG has ventured into the manufacture of boiler structure for thermal power plants. The Government of India has envisaged capacity addition to the tune of 78,700 MW during the Eleventh Five Year Plan, of which 75.85% is expected to be thermal power capacities. This provides significant optimism to the Company's business outlook.

Geographical concentration risk

Dependence on a particular geography could dent the Company's growth owing to a slowdown in that geography

Risk mitigation

- The Company enjoyed 46:54 revenue split between domestic and export markets.
- The Company has shifted its focus from the European market to Latin American, the US and other smaller markets.

Funding risk

The Company may not be able to source funds required for expansion.

Risk mitigation

- The Company enjoys a debt-equity ratio of 0.88, enabling it to raise further debt

Liquidity risk

The Company may be unable to generate enough cash to sustain daily business operations.

Risk mitigation

- The Company enjoys working capital loan facility from of five banks.
- The Company's current ratio stood at a comfortable 4.49 in 2008-09.





Directors' Report

Dear members

Your Directors have pleasure in presenting the 18th Annual Report of your Company together with the audited statement of accounts of the Company for the year ended on 31st March 2009 together with Auditors' report thereon.

Financial results

(Rs. lacs)

Particulars	2008-09	2007-08
Gross sales	11,719.69	15,885.36
Less: Sales to erstwhile Subsidiary ANG Auto Tech Pvt Ltd.		1,319.16
Other income		
Total income	11,719.69	14,566.20
Profit before tax and depreciation	639.83	2,210.42
(-) Depreciation	427.52	355.09
Profit before tax	212.31	1,855.33
(-) Provision for tax	130.41	151.13
Net profit after tax	81.90	1,704.20

Overview

The performance of your Company for the year 2008-09 was in line with the trend in global market. During 2008-09, the heavy commercial sector was severely hit globally by economic slowdown resulting into falling demand of product manufactured by the Company in India and abroad. Accordingly, exports of the Company suffered tremendously due to slowdown of American and European economies. The revenue for the year fell by 31% as compared with the previous year. The Company reported a profit of Rs. 81.90 lacs in 2008-09 as compared with Rs. 1,704.20 lacs in 2007-08.

Dividend

Keeping in view the requirement of funds for continuing plans to impinge on future diverse challenges successfully, your Directors did not recommend any dividend for 2008-09.

Corporate Governance

It was our endeavour to ensure good Corporate Governance practices in all facets of your Company's activities. Pursuant to the SEBI recommendations, the Management Discussion and Analysis Report, Report on Corporate Governance with Auditor's Certificate in Compliance with conditions of Corporate Governance is provided in this Annual Report.

Joint venture

Your Company entered into a joint venture to produce and market mobile towers solutions in India. ANG Auto Ltd. and TowerWorx, US, have a 50:50 stake in the new company known as TowerWorx India (P) Ltd. TowerWorx, US, is the largest mobile tower producer in the US having a large customer base across the globe like AT&T, TMobile and Verizon, among others. The joint venture brings substantial technological benefit to the mobile telecom companies in terms of multiple carrier capability and rapid deployment

capability of towers versus the standard landline towers, used in the country today.

Incorporation of a wholly-owned subsidiary in United States of America

A company, ANG Auto USA INC, was incorporated by ANG Auto Limited as a promoter in the US, as per the laws of that country vide certificate of incorporation issued by the State of Delaware dated 29th May, 2009.

Buyback of Foreign Currency Convertible Bonds (FCCBs)

The subsidiary company, ANG Auto (UK) Ltd., purchased seven million of Foreign Currency Convertible Bonds of ANG Auto Ltd. during 2008-09 as per the Reserve Bank of India guidelines. The formalities to cancel the bonds are under process.

Director's responsibility statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to the Director's responsibility statement, it is hereby confirmed that

(i) In the preparation of annual accounts for the financial year ended 31st March 2009, applicable accounting standards were followed.

(ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Company's profit and loss of the Company for 2008-09.

(iii) The Directors took proper and sufficient care to maintain adequate accounting records in accordance with the provisions of the act for safeguarding the Company's assets and for preventing and detecting fraud and other irregularities.

(iv) The Directors prepare the annual accounts on a going concern basis.

Public deposits

During 2008-09, your Company did not invite or accept any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption, foreign exchange earnings and outgo is given in the annexure forming a part of this Report.

Personnel

None of the employees of the Company were in receipt of the prescribed remuneration and as such, the list of employees as required under Section 217 (2A) of the Companies Act, 1956, is not enclosed. The management's relationship with employees was cordial during the year under review.

Industrial relations

Industrial relations remained cordial throughout the year. Your Directors wish to place on record their deep sense of appreciation for the services rendered by the executives, officers, staff and workers of the Company across all hierarchies.

The Company is committed towards providing industrial safety and environmental protection and these processes followed in right earnest at the Company's plant and facilities.

Statutory auditor

As per the provisions of the Companies Act, 1956, M/s. Sandesh Jain & Co., Chartered Accountants, hold office as

statutory auditors of your Company till the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. Your Company received a certificate from M/s. Sandesh Jain & Co. Chartered Accountants, as required under Section 224 (1B) of the Companies Act, 1956, to the effect that their reappointment, if made, will be within the limits as prescribed under the provisions thereof.

Directorate

Mr. O. P. Sharma, Director of the Company, shall retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for reappointment.

Buyback

The Company issued the public announcement dated 7th July 2008 for purchase of its 7,50,000 equity shares of the Company and further corrigendum to public announcement dated 25th July 2008 declaring opening of buyback of 7,50,000 equity shares of Rs. 10 each. The Company completed its buyback of 7,50,000 equity shares on 24th December 2008 at an average price of Rs. 52.23 per equity shares. The total fund, utilised for the purpose, was Rs. 3,91,74,024.76 which were financed out of the free reserves and / or share premium account of the Company.

Acknowledgement

Your Directors wish to express their gratitude to customers, investors, regulatory authorities, clients and bankers for their continued support and services. Your Directors place on record their appreciation of the contribution made by the employees of ANG at all levels, enabling the Company to maintain service levels of a high order.

For and on behalf of the Board
ANG AUTO LTD

Managing Director

Annexure to the Directors' Report

Information under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Director's Report for the year ended 31st March 2009.

A. Conservation of energy

Energy conservation is an effective key value driver to reduce cost of production. Constant efforts are being made by your Company to reduce energy consumption, upgrade technology as well as equipment and derive optimum benefits from the present sources. The Company is continuously identifying the scope for improving end use efficiency by evaluating the

techno-economic viability of various energy conservation measures. The Company is primarily focusing on

- Technology upgradation
- Control on idle running of auxiliary equipment
- Providing limit switches
- Process optimisation to enhance production
- Training employees towards energy conservation

The Company's captive generation of power increased. The comparative statement of energy generation, as compared with last year, is given hereunder

Particulars	2008-09	2007-08
1. Electricity units (MKWH)	29,35,440	30,04,237
Total amount	1,87,24,862	1,64,95,977
Average rate / unit (Rs. KWH)	7.56	6.27
2. Own generation		
Through diesel generator		
Units (M.KWH)	17,58,826	42,83,537
Units per litre of diesel (KWH)	3.08	3.55
Average cost / unit (Rs. KWH)	10.38	9.85

B. Technology absorption

The technology adopted by your Company is upgraded on a regular basis. In-house training is imparted regularly to plant personnel for adopting technology advancements and cost containment. Further, your Company follows better engineering practices, which include reverse engineering processes for enhancing productivity, product improvement, cost reduction, better quality and stability of products.

C. Foreign exchange earnings and outgo

Activities under this head include those relating to exports and initiatives undertaken to increase exports; development of new

export markets for products and services and export plans. During 2008-09, the Company exported its products to the buyers based in United States of America (USA), UK, Brazil, Italy and Switzerland, among others.

The export turnover of your Company for 2008-09 was Rs. 605.08 lacs; net foreign exchange earning was Rs. 6,188.20 lacs and the foreign exchange outgo was Rs 1,476.98 lacs on account of consultancy, foreign travel, import of capital goods and raw material.

Certification by Chief Executive Officer (CEO) / Chief Financial Officer (CFO)

To,
The Board of Directors,
ANG Auto Limited

We, Premjit Singh, Managing Director (CEO) and Arun Jain, Manager of Finance (CFO) of ANG Auto Limited, both certify to the Board that we have reviewed the financial statement and the cash flow statement of the Company for the period ended 31st March 2009.

1. The statements do not contain materially untrue and misleading statements; the statements present a true and fair view of the Company's affair; they were made in accordance with the accounting standards and applicable laws and regulations.

2. There were no fraudulent or illegal transactions.

3. For the purpose of financial reporting, we accept the

responsibility for establishing and maintaining internal controls which was monitored by the Company's internal audit team and was evaluated based on feedbacks received from the internal audit team and the effectiveness of the internal controls. We reported to the auditors and the Audit Committee about the deficiencies, if any, in the internal controls.

4. We have indicated to the auditors and Audit Committee, significant changes in the internal controls and accounting policies. There were no instances of fraud, of which we were aware, during the period.

For ANG AUTO Ltd.

Arun Jain **Premjit Singh**
CFO CEO

Declaration under Clause 49 (I) (D) of the Listing Agreement

Pursuant to Clause 49 of the Listing Agreement, it is hereby declared that all the Board Members and senior management personnel of ANG Auto Limited affirmed compliance with the Code of Conduct for the year ended 31st March 2009.

For ANG AUTO Ltd.
Managing Director



1. Company's philosophy on Code of Governance

Your Company believes that sound ethical practices, operational transparency and timely disclosures enhance stakeholder value across the long term. As a result, governance is intrinsic to the Company, supported by the four pillars of transparency, fairness, disclosure and accountability. The Company believes that sound governance practices should be enshrined in all activities, maximising shareholder value, safety and sustainability.

2. Board of Directors

a) Composition of category of Directors

The Board was constituted in a way to reinforce

understanding and competence to deal with emerging business issues and ensuring the Director's commitment to participate in the affairs of the Company. In terms of the Corporate Governance philosophy, all statutory and other significant material information was placed before the Board of Directors to enable it to discharge its responsibility of strategic supervision of the Company as trustees of the shareholders. The total strength of the Board is five at the close of 2008-09, which included one Director who is also the Promoter, two Independent Directors and two Independent Non-Executive Directors, complying with the requirements of the Listing Agreement. As on 31st March 2009, the composition of the Board of Directors was as under:

Serial number	Name of Director(s)	Category of directorship	Basic salary	Sitting fee paid (Rs.)	Commission (Rs.)
1.	Mr. Premjit Singh	Promoter and Managing Director	12,00,000	–	–
2.	Mr. Gurvinder Singh Jolly	Independent Non-Executive Director	–	18,900	–
3.	Mr. Manoj Gupta	Independent Non-Executive Director	–	21,000	–
4.	Mr. Sanjay Garg	Independent Non-Executive Director	–	16,800	–
5.	Mr. O. P. Sharma	Executive Director	2,94,400	–	–

b) Number of Board meetings and dates

During the financial year 2008-09, ten Board meetings were held. The dates on which the said meetings were held were as follows:

8th May 2008, 30th June 2008, 4th July 2008, 31st July 2008, 31st August 2008, 13th October 2008, 31st October 2008, 30th January 2009, 16th March 2009, 26th March, 2009

c) **Code of Conduct:** The Board of Directors adopted Code of Conduct, applicable to the Company's Director. All Board members and senior management personnel of the Company affirmed compliance with the Code of Conduct for the year

ended 31st March 2009.

d) **Risk management:** Your Company established a well-documented and robust risk management framework, these risks are identified across all business process of the Company on an ongoing basis. Once identified, these risks are systematically categorised as strategic risk, business risk or reporting risk. To address these risks in a comprehensive manner, each risk is mapped to the concerned department for further action. Based on this framework, the Company has set in place procedures to periodically place before the Board the risk assessment and minimisation procedures being followed by the Company.

Attendance of Directors at the Board meeting and last Annual General Meeting and number of other directorship and Committee membership as on 31st March 2009.

Serial number	Name of Director(s)	Category of directorship	Number of other directorship	Number of Board meetings held	Number of Board meetings attended	Attendance at the last AGM
1.	Mr. Premjit Singh	Managing Director	7	10	10	Yes
2.	Mr. Gurvinder Singh Jolly	Non-Executive Director	Nil	10	9	Yes
3.	Mr. Manoj Gupta	Independent Director	1	10	10	Yes
4.	Mr. Sanjay Garg	Independent Director	Nil	10	9	Yes
5.	Mr. O. P. Sharma	Non-Executive Director	Nil	10	10	Yes

3. Audit Committee

Constitution of the Committee: As a measure of good Corporate Governance and to provide assistance to the Board of Directors fulfilling the Board's oversight responsibilities, an Audit Committee was constituted as per Section 292A of the Companies Act, 1956, and the provisions of the Clause 49 of the Listing Agreement. The Committee acts as a link between the management, the statutory and internal auditors and the Board of Directors. The Audit Committee is responsible for effective supervision of the financial reporting process, ensuring financial and accounting controls and ensuring compliance with financial policies of the Company. The

Committee reviews the financial statements with special emphasis on accounting policies and practices, compliance with the accounting standards and other legal requirements concerning the financial statements before they are submitted to the Board. The terms of reference of the Audit Committee include the matters specified under Clause 49 II of the Listing Agreement. Further, the Audit Committee may also review such matters as are considered appropriate by it or referred to it by the Board.

As on 31st March 2009, the Audit Committee comprised one Non-Executive Director, one Executive Director and two Non-Executive, Independent Directors.

Quorum for the Committee and its Chairman: The quorum for the meeting was two Independent Directors, which was more than one-third of the members of the Committee. The Committee was chaired by Mr. Sanjay Garg, an Independent Director. The composition of the Audit Committee was as under

Mr. Sanjay Garg	Chairman	Non-Executive Independent Director
Mr. G. S. Jolly	Member	Non-Executive Independent Director
Mr. Manoj Gupta	Member	Non-Executive Independent Director
Mr. O. P. Sharma	Member	Executive Director

Date and numbers of Audit Committee meetings held: During 2008-09, four Audit Committee meetings were held on 30th June, 2008, 31st July 2008, 31st October 2008, 30th January 2009

4. Remuneration Committee

The Remuneration Committee was formed on 15th December 2005 as per Clause 49 of the Listing Agreement. The following were the members of the Remuneration Committee:

- Mr. Premjit Singh, Chairman
- Mr. Manoj Gupta, Member
- Mr. O. P. Sharma, Member

5. Shareholder's / Investor's Grievance Committee

The Committee formed by the Board of Directors to look into the investor's grievances and share transfers and the issue of duplicate certificates, oversees and reviews all matters connected with the transfer of securities at regular intervals. The Committee also looks into redressing of the shareholders' / investors' complaints like transfer of shares, non-receipt of declared dividends and non-receipt of balance sheet, among others, and also notes of transfers/transmissions of securities issued by the Company. The Committee oversees the performance of the Registrar and Transfer Agent and

recommends measures for the overall improvement of the quality of investor services. The Board of Directors delegated the power to Mr. Rajiv Malik, Company Secretary, to approve transfers and transmission of shares, folio consolidation, change of name, transposition, certificate split and consolidation, dematerialisation or rematerialisation of securities and replacement of certificates, among others.

The following are the members of the Committee:

- Mr. Premjit Singh, Managing Director
- Mr. Manoj Gupta, Director
- Mr. O. P. Sharma, Director, was designated as the Compliance Officer of the Company

6. General body meetings

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time
2005-06	PHD Chamber of Commerce Siri Fort Road New Delhi	28th September 2006	10.00 am
2006-07	PHD Chamber of Commerce Siri Fort Road New Delhi	28th September 2007	10.00 am
2007-08	PHD Chamber of Commerce Siri Fort Road New Delhi	29th September 2008	10.00 am

7. Disclosures

a. **Disclosures:** Related party transactions during the year are disclosed as a part of accounts as required under Accounting Standard 18, issued by the Institute of Chartered Accountants of India.

b. During the year, the Company did not enter into any transaction of material nature with the Directors, their relative

or management which was in conflict with the Company's interests.

c. The Company laid down procedures to inform Board members about the risks assessment and minimisation procedures. The Company has a management risk policy in place and a risk officer.

d. There were no public, right or preferential issues during the year.

e. Details of non-compliance by the Company, penalties, strictures imposed by the Company by the stock exchange or

SEBI or any statutory authority, on any matter related to capital markets during last three years.

There were no instances of non-compliance of any matter related to the capital markets during last three years.

1. Share price movement

Script Code _ Bombay Stock Exchange: 530721

National Stock Exchange: ANGAUTO

Stock prices at Bombay Stock Exchange

Script Code: 530721

Month	High (Rs.)	Low (Rs.)	Close (Rs.)	Number of shares
April 08	117.70	85.00	108.20	2,86,400
May, 08	111.80	86.05	86.90	98,266
June, 08	96.90	53.85	85.65	11,02,842
July, 08	99.80	69.95	77.25	2,93,233
Aug, 08	82.50	66.00	68.35	90,136
Sept, 08	83.50	55.05	56.05	1,87,247
October, 08	62.50	35.15	40.40	2,51,907
Nov, 08	43.00	30.00	31.80	1,04,593
Dec, 08	50.10	27.20	46.70	2,07,138
Jan, 09	59.40	30.10	32.25	61,243
Feb, 09	33.95	28.00	29.75	20,956
March, 09	30.45	23.90	25.65	51,367

Stock prices at National Stock Exchange, India in respect of the monthly closing price of the shares of the Company**

Script Name: ANG AUTO

Stock prices at National Stock Exchange Ltd.

Script Code: ANGAUTO

Month	High	Low	Close	Number of shares
April-08	124.9	86.4	100.96	1,18,297
May-08	110	84.95	97.32	62,377
June-08	95.9	64.50	76.33	4,50,917
July-08	91.00	68.00	78.14	12,74,423
August-08	80.14	61.05	73.76	89,239
September-08	84.45	57.3	70.08	1,56,564
October-08	62.9	36.25	45.87	2,43,344
November-08	43.45	30.00	36.90	97,761
December-08	48.75	30.15	40.76	1,76,157
January-09	61.70	30.05	37.81	88,533
February-09	36.35	28.05	30.35	20,593
March-09	29.50	23.00	26.00	41,174

The shares of your Company are listed on the following stock exchanges

1. The National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai _ 400051
2. The Bombay Stock Exchange Ltd. (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai _ 400001
3. The Delhi Stock Exchange Association Ltd.
DSE House, 3/1, Asaf Ali Road
New Delhi _ 110002
4. The Ahmedabad Stock Exchange Ltd.
Kamdhenu Complex, Op: Sahanand College
Panjara Pole, Ahmedabad _ 380015

The Foreign Currency Convertible bonds of the Company are listed on Singapore Exchange Securities Trading Ltd.

The listing fee for 2009-10 was paid in time.

8. Means of communication

- a. The Company published its quarterly results in the Business Standard (English) and Veer Arjun (Hindi).
- b. The annual results (Annual Report containing Balance Sheet, among others) are posted to every shareholder of the Company.
- c. The Company's website, viz. www.anggroup.biz is regularly updated with the financial results and other important events.

9. General shareholder's information

Annual General Meeting

Date: 23rd September 2009

Time: 10.00 am

Place: PHD Chamber of Commerce, New Delhi

Financial calendar: 2009-10

Annual General Meeting:	September 2010
Result of the quarter ended on 30th June 2009:	31st July 2009
Result of the quarter ended on 30th September 2009:	Last week of October 2009
Result of the quarter ended on 30th December 2009:	Last week of January 2010
Result of the quarter ended on 30th March 2010:	Last week of April 2010
Book closure date:	21st September 2009 to 23th September 2009
Dividend payment date:	Within 30 days of declaration
Demat ISIN No. in NSDL and CDSL:	INE017D01010
Registrar & Share Transfer Agent:	Beetal Financial and Computer Service Pvt. Ltd. Beetal House 3rd Floor, 99 Madangir, Local Shopping Centre, New Delhi - 110017

Share transfer system: Presently the share transfers in physical form should be lodged at the office of Registrar and Transfer Agent at the address given above, which are processed and the share certificates are returned within a period of 10 to 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Dematerialisation of shares is processed within a period of 21 days from the date of receipt of demat request.

Dematerialisation of shares: Trading in the Company's equity shares on the stock exchange is permitted only in dematerialised form w.e.f. 27th February 2001 for all classes of investors as per notification issued by the Securities and Exchange Board of India (SEBI).

Details of share capital of the Company as on 31st March 2009

Serial number	Particular	Number of shares	% of Shares
1.	NSDL	75,89,813	60.52
2.	CDSL	40,26,599	32.11
3.	Physical	9,23,588	7.37
	Total	1,25,40,000	100

Shareholding pattern as on 31st March 2009

Category	Number of shares held	% of paid_up capital
A. Promoter's holding		
1. Promoters		
Indian promoters	60,66,878	48.38
Foreign promoters	0	0
Persons acting in concert	0	0
Sub-total	60,66,878	48.38
Non-Promoter's holding		
Institutional investors		
Mutual funds and UTI	2,300	0.02
Banks, FIs, insurance companies (Central/State, Govt. institutions/ Non-Govt. institutions)	1,000	0.01
Foreign institutional investors	11,43,762	9.12
Sub-total	11,47,062	9.15
Others		
Private corporate bodies	23,25,724	18.55
Indian public	22,97,493	18.32
NRIs/OCBs	1,19,577	0.95
Foreign Corporate Bodies	5,75,350	4.59
Overseas Corporate Bodies	1,800	0.01
Trust	1,722	0.01
Others (clearing members)	7,694	0.06
Sub-total	53,29,360	42.50
Grand total	1,25,40,000	100.00

Address for investor's correspondence

For transfer/dematerialisation of shares	Beetal Financial and Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, New Delhi-110062
For any other query:	Secretarial department ANG Auto Limited 1C/13, New Rohtak Road, Karol Bagh, New Delhi-110005

Distribution of shareholding as on 31st March 2009 was as under:

Shareholding of nominal value of Rs. 10 each	Number of shareholders	% of total number of shareholders	Number of shares held	Amount in Rs.	% to total paid-up capital
Up to 5,000	5,902	89.90	7,75,048	77,50,480	6.180
5,001 to 10,000	327	4.98	2,66,540	26,65,400	2.125
10,001 to 20,000	153	2.33	2,39,309	23,93,090	1.908
20,001 to 30,000	49	0.75	1,23,501	12,35,010	0.984
30,001 to 40,000	14	0.21	49,931	4,99,310	0.391
40,001 to 50,000	30	0.46	1,42,649	14,26,490	1.137
50,001 to 1,00,000	44	0.67	3,12,628	31,26,280	2.493
1,00,000 and above	45	0.70	1,06,30,394	10,63,03,940	84.771
Total	6,562	100.00	1,25,40,000	12,54,00,000	100.00

Plant location

Plant I:	B-48, Phase II, Noida (U.P.)
Plant II:	19-A, Udyog Vihar, Distt. Gautam Budh Nagar, Greater Noida
Plant III:	11 & 12, SDF SEZ, Noida (U.P.)
Plant IV:	Village Dherowal, Near Tax Barrier, P.O. Monjholi, Dist. Solan (H.P.)
Plant V:	14/6 Mathura Road, Faridabad-121003 (Haryana)
Plant VI:	150-A, SEZ, Noida (U.P.)
Plant VII:	19, Udyog Vihar, Distt. Gautam Budh Nagar, Greater Noida (U.P.)
Plant VIII:	A-197 Eldeco Sidcul Industrial Park, Sitarganj, Uttarakhand

Compliance Certificate on Corporate Governance

To

The members of ANG Auto Limited,

We have examined the compliance of the conditions of Corporate Governance by ANG Auto Limited for the year ended on 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have to state that as per records maintained by the Company, there were no investor grievances remaining unattended / pending for more than one month.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management conducted the affairs of the Company.

For **ANG AUTO Limited**
Managing Director